SECRET

OSA -0915-68

7 March 1968

MEMORANDUM FOR THE RECORD

TICKLE

CHNIER

SUBJECT: Telecon with C. L. Johnson

			I. On 6 March	Kelly called to rela	ate the following:		
			a) He had o	oncluded satisfact	orily negotiations with		
25X	1A				ect officers relating to the		
		'	Lockheed SR-71			25X1A	
			b) He aske		people be cleared IDEALIST	r 25X1A	
	to enable him to discuss possible installation of						
			ai/	the U-2R.			
		DICHIEF MAN	is having his pe inches. He feel 2. I told Kelly	ople cut back on the strike may alleviate that we have had so	in afterburner. Kelly said he extension to about 3-1/2 the problem. everal reviews of the lated the following concerns:	25X1A	
		SAJIS V	a) The cost was much too high; in my view, about				
		\$ 1		too high.			
		CZZ C	Kelly said this : program and the	high number is la	seemed unusually high. orts of 20 engineers on the rgely attributable to the radar accomplish our goals.	25X1A	
	<u> </u>	100	c) I said I	was disturbed abou	t the tooling cost (about		
25X	1A	5			oling costs of the U-2R.		
		E	Kelly said that in reflected in the		be required and this was		
25X	1A	DECTROY		-]			

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3. I told Kelly that during ou	r review of other competitive						
systems we took a look at the							
which costs		25X1A					
mitted that the range of this drone was somewhat limited, but it							
may do some of the missions considered for							
Therefore, it very likely would be a real competitor for Kelly's I felt that unless Kelly could do something about the cost we would never be able to sell the program. I suggested that he take a hard look at his proposal since we are at							
the moment at an impasse.	Vohn Parängosky DD/SA	25X1A					

Distribution:

1 - D/R&D

1 - Compt/OSA

1 - D/O

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25X1A

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